

Senate Engrossed House Bill

FILED

**KEN BENNETT
SECRETARY OF STATE**

State of Arizona
House of Representatives
Forty-ninth Legislature
Second Regular Session
2010

CHAPTER 256

HOUSE BILL 2328

AN ACT

AMENDING SECTION 41-2636, ARIZONA REVISED STATUTES; RELATING TO PROCUREMENT
OF MATERIAL AND SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 41-2636, Arizona Revised Statutes, is amended to
3 read:

4 41-2636. Procurement from Arizona industries for the blind,
5 certified nonprofit agencies that serve individuals
6 with disabilities and Arizona correctional
7 industries; definitions

8 A. The director shall appoint a STATE SET-ASIDE committee to determine
9 those materials and services that are provided, manufactured, produced and
10 offered for sale by Arizona industries for the blind, certified nonprofit
11 agencies ~~for disabled individuals~~ THAT SERVE INDIVIDUALS WITH DISABILITIES
12 and Arizona correctional industries and that satisfy the requirements of
13 state governmental units and to establish a fair market price for all
14 approved materials and services offered for sale that meet these
15 requirements. MEMBERSHIP SHALL INCLUDE THE ASSISTANT DIRECTOR FOR
16 REHABILITATION SERVICES IN THE DEPARTMENT OF ECONOMIC SECURITY OR THE
17 ASSISTANT DIRECTOR'S DESIGNEE AND A PRIVATE SECTOR BUSINESS PERSON APPOINTED
18 BY THE GOVERNOR WHO CONTRACTS OR EMPLOYS PERSONS WITH DISABILITIES IN THE
19 PRIVATE SECTOR. AT EACH QUARTERLY MEETING THE DIRECTOR SHALL REPORT ON NEW
20 PROCUREMENT REQUESTS OR RENEWAL OF EXISTING PROCUREMENT REQUESTS FOR STATE
21 PURCHASES FROM LISTS SUPPLIED BY SET-ASIDE PROVIDERS AND THAT ARE WITHIN THE
22 CAPABILITY OF AND THAT CAN BE SUPPLIED BY THE ENTITIES THAT ARE PRESCRIBED IN
23 THIS SECTION. TO QUALIFY FOR SET-ASIDE CONTRACTS, CERTIFIED NONPROFIT
24 AGENCIES MUST MAINTAIN AN EMPLOYMENT RATIO OF AT LEAST SIXTY PER CENT OF
25 PROGRAM EMPLOYEES WITH SIGNIFICANT DISABILITIES.

26 B. Materials and services from Arizona correctional industries shall
27 be presented to the committee for approval. Office products, vinyl binders
28 and furniture refurbishing services shall be exempt from this article. State
29 governmental units shall purchase office products, vinyl binders and
30 furniture from Arizona correctional industries if each of the following
31 applies:

- 32 1. Such materials and services are readily available.
33 2. Such materials and services are capable of timely delivery.
34 3. Such materials and services are of equal quality and price for
35 these same materials and services in the private sector.

36 C. State governmental units shall purchase approved materials and
37 services if such materials and services are readily available.

38 D. Notwithstanding the requirements of section 41-2532, state
39 governmental units and local public procurement units may purchase or
40 contract for any products, materials and services directly from Arizona
41 industries for the blind, certified nonprofit agencies ~~for disabled~~
42 ~~individuals~~ THAT SERVE INDIVIDUALS WITH DISABILITIES and Arizona correctional
43 industries without competitive bidding if the delivery and quality of the
44 products, materials or services meet the unit's reasonable requirements.

1 E. All state governmental units shall endeavor to set aside at least
2 one per cent of their new purchases or contracts for any products, materials
3 and services from the entities that are prescribed in subsection D of this
4 section, EXCEPT FOR CONTRACTS FOR CARE AND SERVICES FOR CLIENTS OF THE
5 DEPARTMENT OF ECONOMIC SECURITY OR THE DEPARTMENT OF HEALTH SERVICES. THE
6 DEPARTMENT SHALL COMMUNICATE WITH EACH STATE GOVERNMENTAL UNIT REGARDING ITS
7 RESPONSIBILITY TO COMPLY WITH THIS SUBSECTION. The committee shall meet
8 quarterly to report progress in increasing state governmental purchases or
9 contracts with the entities that are prescribed in subsection D of this
10 section. The committee shall ~~submit~~ COMPILE quarterly reports detailing new
11 purchases or contracts that are entered into pursuant to this subsection to
12 the director, EACH COMMITTEE MEMBER, the governor, the president of the
13 senate and the speaker of the house of representatives.

14 F. The committee shall meet during the first month of each fiscal year
15 to determine which articles, products or services Arizona correctional
16 industries, certified nonprofit agencies ~~for disabled individuals~~ THAT SERVE
17 INDIVIDUALS WITH DISABILITIES and Arizona industries for the blind should
18 continue to manufacture for state use, to advise such agencies and industries
19 of any changes in specifications and to identify new articles or products
20 that should be manufactured OR COULD BE ELIGIBLE FOR PROCUREMENT.

21 G. For the purposes of this section:

22 1. "Certified nonprofit agency ~~for disabled individuals~~ THAT SERVES
23 INDIVIDUALS WITH DISABILITIES" means a nonprofit activity center ~~or sheltered~~
24 ~~workshop~~ THAT SERVES INDIVIDUALS WITH SIGNIFICANT DISABILITIES AND that
25 satisfies all of the following:

26 (a) Is organized under the laws of this state or another state, is
27 operated in the interest of disabled individuals and the net income of which
28 does not inure in whole or in part to the benefit of any shareholder or other
29 individual.

30 (b) Complies with any applicable occupational health and safety
31 standard required by the laws of the United States and this state.

32 2. "Disabled individual" means an individual who, because of the
33 nature of the individual's disabilities, is not able to fully participate in
34 competitive employment and for whom specialized employment ~~opportunities must~~
35 ~~be provided~~ AND TRAINING IS NECESSARY BY A QUALIFIED NONPROFIT ORGANIZATION
36 THROUGH THE DEPARTMENT OF ECONOMIC SECURITY OR THE DEPARTMENT OF HEALTH
37 SERVICES.

APPROVED BY THE GOVERNOR MAY 7, 2010.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 7, 2010.